

CARL J. KUNASEK
CHAIRMAN
JIM IRVIN
COMMISSIONER
WILLIAM A. MUNDELL
COMMISSIONER



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BRIAN C. McNEIL
EXECUTIVE SECRETARY

ARIZONA CORPORATION COMMISSION

DATE: DECEMBER 14, 1999

DOCKET NO: T-03648A-98-0630

TO ALL PARTIES:

Enclosed please find the recommendation of Hearing Officer Jane Rodda. The recommendation has been filed in the form of an Order on:

ADVANTAGE TELECOMMUNICATIONS, CORP
(CC&N/RESELLER)

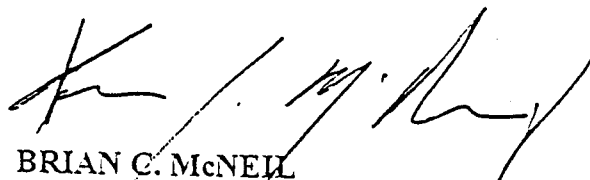
Pursuant to A.A.C. R14-3-110(B), you may file exceptions to the recommendation of the Hearing Officer by filing an original and ten (10) copies of the exceptions with the Commission's Docket Control at the address listed below by 10:00 a.m. on or before:

DECEMBER 23, 1999

The enclosed is NOT an order of the Commission, but a recommendation of the Hearing Officer to the Commissioners. Consideration of this matter has tentatively been scheduled for the Commission's Working Session and Open Meeting to be held on:

JANUARY 5, 2000 and JANUARY 6, 2000

For more information, you may contact Docket Control at (602)542-3477 or the Hearing Division at (602)542-4250.


BRIAN C. McNEIL
EXECUTIVE SECRETARY

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 CARL J. KUNASEK
CHAIRMAN

3 JIM IRVIN
COMMISSIONER

4 WILLIAM A. MUNDELL
COMMISSIONER

5
6 IN THE MATTER OF THE APPLICATION OF
ADVANTAGE TELECOMMUNICATIONS,
7 CORP. FOR A CERTIFICATE OF CONVENIENCE
AND NECESSITY TO PROVIDE COMPETITIVE
8 INTERLATE/INTERLATA
TELECOMMUNICATIONS SERVICES AS A
9 RESELLER.

DOCKET NO. T-03648A-98-0630

DECISION NO. _____

ORDER

10 Open Meeting
January 5 and 6, 2000
Phoenix, Arizona

11 **BY THE COMMISSION:**

12 Having considered the entire record herein and being fully advised in the premises, the
13 Arizona Corporation Commission ("Commission") finds, concludes, and orders that:

14 **FINDINGS OF FACT**

15 1. On October 30, 1998, Advantage Telecommunications, Corp. ("Applicant") filed with
16 the Commission an application for a Certificate of Convenience and Necessity ("Certificate") to
17 provide competitive resold intrastate toll telecommunications services in Arizona.

18 2. In Decision No. 58926 (December 22, 1994), the Commission found that resold
19 telecommunications providers ("resellers") were public service corporations subject to the
20 jurisdiction of the Commission.

21 3. In Decision No. 59124 (June 23, 1995), the Commission adopted A.A.C. R14-2-1101
22 through R14-2-1115 to regulate resellers.

23 4. Applicant is a Delaware corporation that has been authorized to do business in
24 Arizona since 1998.

25 5. Applicant is a switchless reseller and plans to resell services provided by IXC
26 Communications.

27 6. On August 20, 1999, the Commission's Utilities Division Staff ("Staff") filed a Staff
28

1 Report.

2 7. In the Staff Report, Staff stated that Applicant had provided financial statements for
3 the period ended December 31, 1998, which showed assets of \$1.075 million and retained earnings of
4 \$517,667. Applicant reported a net income of \$464,490 for the year. Based on this information,
5 Staff believed the Applicant has sufficient financial resources to make necessary plant additions or
6 incur operating losses.

7 8. The Staff Report stated that Applicant has no market power and the reasonableness of
8 its rates would be evaluated in a market with numerous competitors.

9 9. Staff recommended that:

10 (a) Applicant's application for a Certificate should be approved without a hearing
11 subject to A.A.C. R14-2-1106.B;

12 (b) Applicant's intrastate toll service offerings should be classified as competitive
pursuant to A.A.C. R14-2-1108;

13 (c) Applicant's competitive services should be priced at the effective rates set
14 forth in Applicant's tariffs and the maximum rates for these services should be the
15 maximum rates proposed by Applicant in its tariffs. The minimum rates for applicant's
competitive services should be Applicant's long run incremental costs of providing
those services as set forth in A.A.C. R14-2-1109; and

16 (d) Applicant should be required to comply with the Commission's rules and
17 modify its tariffs to conform with the rules if it is determined there is a conflict
between Applicant's tariffs and the Commission's rules.

18 10. By Procedural Order dated September 14, 1999, the Commission set a deadline of
19 October 29, 1999, for filing exceptions to the Staff Report; requesting that a hearing be set; or
20 requesting intervention as interested parties.

21 11. No exceptions were filed to the Staff Report, nor did any party request that a hearing
22 be set.

23 CONCLUSIONS OF LAW

24 1. Applicant is a public service corporation within the meaning of Article XV of the
25 Arizona Constitution and A.R.S. §§ 40-281 and 40-282.

26 2. The Commission has jurisdiction over Applicant and the subject matter of the
27 application.

28 3. Notice of the application was given in accordance with the law.

4. Applicant's provision of resold intrastate toll telecommunications services is in the public interest.

5. Applicant is a fit and proper entity to receive a Certificate for providing competitive intrastate toll telecommunications services as a reseller in Arizona.

6. Staff's recommendations in Findings of Fact No. 9 are reasonable and should be adopted.

ORDER

IT IS THEREFORE ORDERED that the Application of Advantage Telecommunications, Corp. for a Certificate of Convenience and Necessity for authority to provide competitive resold intrastate toll telecommunications services shall be, and the same, is hereby granted.

IT IS FURTHER ORDERED that Advantage Telecommunications, Corp. shall comply with the Staff recommendations set forth in Findings of Fact No. 9.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

CHAIRMAN

COMMISSIONER

COMMISSIONER

IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive Secretary of the Arizona Corporation Commission, have hereunto set my hand and caused the official seal of the Commission to be affixed at the Capitol, in the City of Phoenix, this ____ day of _____, 2000.

BRIAN C. McNEIL
EXECUTIVE SECRETARY

DISSENT
JR:DAP

1 SERVICE LIST FOR:

ADVANTAGE TELECOMMUNICATIONS, CORP.

2 DOCKET NO.

T-03648A-98-0630

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